

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

SHELDON G. ADELSON,

Plaintiff,

v.

MOSHE HANANEL,

Defendant.

Docket No.: 04CV10357RCL

**AFFIDAVIT OF PAUL G. ROBERTS IN RESPONSE TO THE ORDER OF
SOROKIN, M.J. FOR FURTHER AFFIDAVITS ON MOTION TO DISMISS**

1. My name is Paul G. Roberts. I am now and, at all relevant times was General Counsel for The Interface Group, and Interface Partners International, Ltd. ("IPI"). The facts set forth in the following paragraphs of this affidavit are based on my knowledge and memory and on documents made and kept in the ordinary course of business at IPI in Massachusetts or made in IPI's branch office in Israel and copies of which are kept in Massachusetts.

Background

2. I have attached as Exhibit "A" to this Affidavit an organizational chart from 1999 showing IPI and its portfolio investments that may be of assistance to the Court in understanding some of the documents to which I refer and which are attached to this Affidavit.

3. The goal of IPI for its Israeli activities was to invest in high tech companies in Israel.

4. Exhibit A shows, as of that date, the identity of those companies in which IPI had substantial investment interests.

Communications Regarding IPI That Occurred Between Plaintiff And Defendant From Autumn Of 1995 To The Termination Of Defendant's Employment With IPI.

5. Most of the communications between the defendant and the plaintiff, regarding IPI, of which I am personally aware, were carried out on behalf of the plaintiff, in his capacity as CEO of IPI, by various employees and officers of IPI concerning dealings with the Israel office and Mr. Hananel. Communications with the defendant were with him and with his subordinate employees at the IPI branch in Israel. I understand that Hananel has asserted in one of the Israeli cases that he had conversations with Mr. Adelson on a daily basis. To my knowledge, there were calls between Hananel and Adelson that occurred when Mr. Adelson was in Needham.

6. In my prior Affidavits I described the employment agreement that I had negotiated with Mr. Hananel on December 5, 1995. I have learned from counsel and from reading some of Hananel's submissions that he has claimed that his visit to the United States on December 4th and 5th was primarily to seek a consultation at the Joslin Clinic for his diabetes. Whether or not this is true, I recall that he made me aware of his scheduled trip and we agreed on the telephone that we would meet together in my office while he was in Boston. Mr. Adelson had advised me that he hoped to employ Mr. Hananel at IPI and the terms he wished to offer, but that he was uncomfortable

negotiating the terms of the employment arrangement with his close friend and asked me to handle the negotiation (subject to Mr. Adelson's final approval) when Mr. Hananel came to Massachusetts.

7. I have quite recently come across a document that is attached as Exhibit B, a note from Mr. Hananel to Betty N. Yurcich, Sheldon Adelson's administrative assistant, dated November 19, 1995 that confirms my recollection about the plans for a meeting that I had with Mr. Hananel. In his note Mr. Hananel states that he will "try to be in Boston the first week of December. Do you think a meeting in Jocelyn Clinique [*sic*] could be arranged?" Mr. Hananel was coming to Massachusetts for a business meeting with me on December 5, 1995 and also to visit the Joslin Clinic for his diabetes.

8. At our meeting on December 5, Mr. Hananel and I also discussed the nature of his work and the nature of the relationship between the Israel branch of IPI and its Boston headquarters. I believe that it was very clear to Mr. Hananel that the financial affairs of the Israel branch, including the funding of its operations, were controlled from the Needham office where IPI's Chief Financial Officer, Mr. Stephen O'Connor, and its Treasurer, Mr. Ralph Cadman, were located. Mr. Hananel would be expected to find promising investment opportunities in Israel's hi-tech industry but would be required to follow the directions and procedures in the management of the branch issued from Needham.

9. I know that there was constant telephonic and written communication between Hananel and IPI in Massachusetts. We had an 800 number that allowed Hananel

to easily call our office and he did so regularly.* Mr. Hananel has asserted that his assistant manager of the IPI branch in Israel, Mr. Efrat, sent monthly reports to Mr. O'Connor, and Hananel has sought discovery in the District Labor Court in Israel of those reports which he asserts exist:

“Monthly letters of review that Mr. Oded Efrat of the First Respondent sent to the First Respondent’s staff member, Mr. Steve O’Connor regarding the operation of the Israeli office....”

Mr. Hananel’s Travel to the United States and Massachusetts

10. Mr. Hananel did travel to Massachusetts in connection with his employment by IPI after December 5, 1995.

11. Of great importance was Mr. Hananel’s attendance at a meeting held in Andover, Massachusetts in behalf of an Israeli company, iMD Soft, Ltd. in which IPI had a substantial investment. Mr. Hananel was a member of the board of directors of iMD Soft for the purpose of watching out for IPI’s interest. He often substituted for Mr. Adelson at those board of directors meetings. In late 1999, iMD Soft entered into negotiations with Agilent Technologies, Inc. of Andover, Massachusetts, a subsidiary of Hewlett Packard to form a partnership or some other form of strategic alliance. In connection with those negotiations, Mr. Hananel was in constant communication with IPI, in Massachusetts and with Steve Slaton, a product manager of the Health Care Solutions Group of Agilent. An example is Exhibit C, an email from Mr. Slaton

* Despite our efforts to find records of the 800 number calls that were in IPI’s Israel branch office while Mr. Hananel was the manager, no one has been able to locate them. They never were in Needham or Las Vegas to the best of my knowledge.

addressed to Oded Efrat, the assistant manager in the IPI branch in Israel, with a copy to Mr. Hananel.

12. The Andover meeting was held on February 8, 2000. I attended as did Mr. Hananel and Mr. Efrat. The other participants were Ido Schöenberg, M.D., CEO of iMD Soft Ltd.; Phyllis Gotlib, an executive officer of iMD Soft; Harry Comencher, Vice President of Sales – U.S.; as well as five managers of Agilent Technologies, all but one of whom were based in Andover, Massachusetts. A copy of my handwritten notes of the meeting is attached as Exhibit D to this Affidavit.

13. Mr. Hananel took a very active role in that meeting

14. There were frequent communications between IPI in Israel and the Needham office. In addition, Hananel communicated directly with Mr. Adelson who was acting in behalf of IPI about IPI business. These communications occurred wherever Mr. Adelson was, including Needham, and while Mr. Adelson was acting on behalf of IPI as its Chief Executive Officer. Hananel's communications involved not only reports on the activities of IPI and the companies in which it has invested (see for example Exhibit E) but also day to day management and financial matters.

IPI's offices on December 5, 1995

15. The layout and appearance of IPI's Massachusetts offices on December 5, 1995 were essentially as they are now. IPI together with several other business entities not related to it except through the common ownership and control of Mr. Adelson, have been housed in a modern office building in the New England Business Center in

Needham adjacent to the Highland Avenue interchange off Route 128. IPI has been listed in the lobby directory along with Interface Group business entities which are operated from Massachusetts. The Interface Group's executive offices including Mr. Adelson's own office occupy a very substantial portion of the third floor and are separated from the rest of the office facilities by a large glass wall emblazoned with the legend "The Interface Group Executive Offices." I have attached photographs as Exhibit F taken August 1, 2005. To the best of my recollection, the office photos accurately reflect how they appeared in 1995:

- i View of the front entrance of the building
- ii Current Lobby directory. (The bottom three names were not in the building in 1995)
- iii The names on the glass wall of the executive area occupied by The Interface Group, including IPI.
- iv The secretarial area and waiting area.
- v. The secretarial area. (Ms. Betty Yurcich, Mr. Adelson's administrative assistant, is in the foreground.)
- vi and vii Views of Mr. Adelson's office

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS 4 DAY
OF AUGUST, 2005.

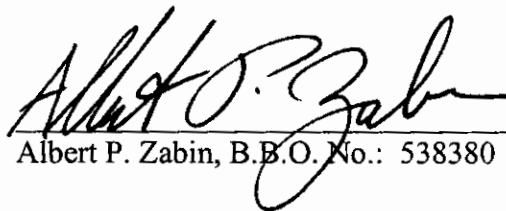


Paul G. Roberts

CERTIFICATE OF SERVICE

I, Albert P. Zabin, hereby certify that I served a copy of the foregoing on all
Defendants this 5th day of August, 2005, via U.S. Mail to the following:

James A. G. Hamilton, Esquire
Perkins Smith & Cohen
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Boston, MA 02108-3106



Albert P. Zabin, B.B.O. No.: 538380